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**FISCAL IMPACT STATEMENT**

**LS 7001**

**BILL NUMBER:** SB 413

**NOTE PREPARED:** Jan 30, 2012

**BILL AMENDED:** Jan 30, 2012

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Education Service Centers*: This bill amends the definition of educational service center. It repeals provisions relating to the establishment and administration of an educational service agency by the Indiana State Board of Education (State Board).

*Curricular Materials*: The bill replaces the definition of textbook with curricular materials. It provides that the Indiana Department of Education (Department) shall determine the process for evaluating the curricular materials' alignment to academic standards and the appropriateness of the reading level of the curricular materials. The bill also requires the Department to describe the method used to evaluate curricular materials within the earlier of: (1) 18 months after the adoption of standards by the State Board; or (2) six years after the previous review of curricular materials. It provides, that in order for a publisher's curricular materials to be included in the Department's report, the publisher must: (1) make the curricular materials available for sale to schools for a period of not less than six years; and (2) provide a grant or license to the school corporation to allow for reproduction of the adopted curricular materials in large type, Braille, and audio formats. The bill makes changes to the subject matter that the Department must provide a listing and summary review showing that the curricular material are aligned to academic standards.

The bill repeals the requirement that a superintendent of a school corporation forward a list of the curricular materials selected by the superintendent.

*Unused School Buildings*: The bill provides that for purposes of the sale or lease of an unused school building, a charter school must include an entity seeking final approval from a sponsor to operate a charter school. It provides that the failure by a superintendent or governing body to list an unused school building with the

Department or to transfer an unused school building to a charter school that has properly requested the building may lead to state funding being withheld from the school.

The bill specifies that a school corporation retains any debt associated with a school building sold to a charter school.

The bill makes conforming changes and technical corrections.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** *Curricular Materials:* The bill replaces the definition of textbook with curricular materials. The definition of curricular materials is the same as the definition of textbooks in current law. The definition includes:

1. Books.
2. Hardware that will be consumed, accessed, or used by a single student during a semester or year.
3. Computer software.
4. Digital content.

Textbooks are currently on a 6-year adoption cycle which is the same as curricular materials.

The change from textbooks to curricular materials should be minor or no fiscal impact.

(Revised) *Unused School Buildings:* The bill requires the Department to order a public hearing to discuss the failure by a superintendent or governing body to list an unused school building with the Department or to transfer an unused school building to a charter school and to withhold state funds if the hearing is not held within 180 days. The provision should have minor fiscal impact on the state.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Education Service Centers:* There are currently nine education service centers that cover the state of Indiana. Education Service Centers operate in a specific geographic region and schools have to use the center in their region. The bill would allow schools to create additional centers to serve their common needs. The impact would depend on the education service centers created and what services they provide. Schools pay for the services obtained from their current revenue streams.

*Curricular Materials:* Changing the definition of textbook to curricular materials and the corresponding changes to the period the material can be used and availability of materials should have no fiscal impact.

(Revised) *Unused School Buildings:* The bill requires that any debt associated with a school building that a school district sells to a charter school to be retained by the school district.

The bill does not allow a school to sell a school building to a nonprofit or not-for profit organization if a charter school has indicated an interest in the building. It also does not allow a school to sell a building to another governmental entity for more than the fair market value of the building. The impact would depend on the number of unused school buildings.

The bill removes the requirement that a school building that initial appeared on the Department of Education

unused-school list must remain on the list for two years. The provision could allow a school to remove the building after one year if they needed the building.

If a school corporation fails to list an unused school building with the Department or to transfer an unused school building to a charter school, then the Department shall order a public hearing to discuss the failure to list the building. If the school corporation does not hold the hearing within 180 days from the date of the Department's order, the Department may withhold a portion of the state funding to the school until the hearing is held. The impact would depend on the number of schools that refused to hold the hearing. The impact is probably minor.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Schools.

**Information Sources:**

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